



SAN JOSE POLICE OFFICERS' ASSOCIATION

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Received
City Manager

DEC 20 2010

Office of
Employee Relations

December 16, 2010

Alex Gurza
Director of Employee Relations
City of San Jose
200 East Santa Clara Street
San Jose, CA 95113

**RE: Commencement of Negotiations for a New Memorandum of Agreement and
Two-Tier Retirement System**

Dear Alex:

My client, the San Jose Police Officers' Association (SJPOA), is anxious to commence negotiations as soon as may be practical in January of 2011 for the new Memorandum of Agreement (MOA). As part of those negotiations, we also anticipate negotiating with the City for a second tier to the existing retirement system for police officers. As Article 3 of the current MOA (Commencement of Negotiations) provides, negotiations are to commence "no later than twenty (20) calendar days after the City or Association receives notice from the other, which may be any date after January 1 of the year in which the current contract terminates."

The SJPOA understands very well the challenges posed by the uncertain economic conditions faced on a local, state, and national level. It is that awareness of the country's current economic plight that compels the SJPOA to seek commencement of negotiations as soon as possible in order to begin working seriously with the City in an effort to strike a contract that is both equitable for San Jose's hard working police officers and aids the City with regard to its projected budget deficit.

Indeed, the SJPOA has always been at the forefront of efforts to confront economic reality as it is:

- (1) We were the first union in San Jose to step up to the plate regarding shouldering the requisite cost of unfunded retiree medical benefits, after the Governmental

Accounting Standards Board (GASB) brought concerns over those costs to the forefront;

- (2) This past year, we were able to reach a voluntary agreement with the City whereby our members gave back an estimated 5.25% in order to help the City achieve a balanced budget;
- (3) We were one of the first unions to agree to modifications to our healthcare plan that will prove a model for negotiations with the City's other unions in the future; and
- (4) The vast majority of whatever retirement benefit enhancements we were fortunate to receive during better economic times over the prior decade was the result of mutual negotiations with the City.

Given all of the above, it should come as no surprise that the SJPOA is now willing to assume a leading role in negotiating a second tier of retirement benefits. One might expect a union in tough economic times to resist efforts to bargain in the hope that the status quo may be maintained, especially when it is almost unimaginable that anything less than "givebacks" will be required at the negotiation table. It is a testament to my client's vision, seriousness of purpose, and leadership in the community that the bargaining representative of the hard-working men and women who serve as San Jose police officers is now willing to step up to the plate, once again, in anticipation of the economic challenges faced in the City's next budget.

I look forward to hearing from you as to when we can set a first meeting for negotiations. As always, do not hesitate to contact me if you have any questions or concern regarding any of the above.

Very truly yours,


JOHN R. TENNANT
General Counsel

JRT:bjs

cc: Honorable Chuck Reed, Mayor of the City of San Jose
San Jose City Council
Debra Figone, San Jose City Manager
SJPOA Board of Directors